REMARKS

This is a full and timely response to the outstanding non-final Office Action mailed June 4, 2005. Upon entry of the amendments in this response, claims 1, 2, 5, 6, 14 and 17 - 31 remain pending. In particular, Applicants have amended claims 1, 2, 5, 6, 14, 17 and 25 - 30, have added claim 31, and have canceled claims 3, 4, 7 - 13, 15 and 16 without prejudice, waiver, or disclaimer. Applicants have canceled claims 3, 4, 7 - 13, 15 and 16 merely to reduce the number of disputed issues and to facilitate early allowance and issuance of other claims in the present application. Applicants reserve the right to pursue the subject matter of these canceled claims in a continuing application, if Applicants so choose, and do not intend to dedicate the canceled subject matter to the public. Reconsideration and allowance of the application and presently pending claims are respectfully requested.

Claim Objections

The Office Action indicates that claims 7, 8 and 25 - 30 are objected to because of various informalities. As set forth above, Applicants have canceled claims 7 and 8 and respectfully assert that the objections as to these claims have been rendered moot. With respect to claims 25 - 30, Applicants have amended these claims and respectfully assert that the objections to these claims have been accommodated.

Rejections Under 35 U.S.C. §112

The Office Action indicates that claims 5 and 6 stand objected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which application regards as the invention. As set forth above, Applicants have amended claims 5 and 6 and respectfully assert that the rejection has been accommodated.

Rejections Under 35 U.S.C. §102

The Office Action indicates that claims 1 - 8 stand rejected under 35 U.S.C. §102(e) as being anticipated by *Terasaki*. The Office Action also indicates that claims 9 - 30 stand rejected under 35 U.S.C. §102(e) as being anticipated by *Ito*. With respect to claims 3, 4, 7 - 13, 15 and 16, Applicants have canceled these claims and respectfully assert that the rejections as to these claims have been rendered moot. With respect to the remaining claims, Applicants respectfully traverse the rejections.

With respect to the cited references, *Terasaki* generally relates to an image transmission system. In particular, *Terasaki* discloses:

An image transmission system includes: a client; a server; and a network connecting the client and the server. The client includes: an image request section that requests transmission of image data; an output instruction section that issues an output instruction for an image data file of a general purpose format; and an output section that outputs the image data file of the general purpose format specified as an output file. The server includes: a watermark insertion section that forms high-resolution data as an image data file to be transmitted and low-resolution data as a general purpose format file of image data to which an electronic watermark is given to specify the highresolution data as watermark information whose resolution is reduced relative to the high-resolution data; and a distribution section that transmits the high-resolution data, the low-resolution data and a data selection program. The data selection program allows the client to detect existence of the lowresolution data to which the output instruction is made, and it specifies the high-resolution data from watermark information to designate the highresolution data as the output file when the electronic watermark is detected and designates the low-resolution data as the output file when the electronic watermark is not detected.

(Terasaki, Abstract). (Emphasis Added).

As set forth above in the exemplary teaching of *Terasaki*, *Terasaki* involves watermarking of information so that high-resolution data can only be used if the existence of the watermark is detected. Additionally, *Terasaki* discloses:

[0043] When access of image browse is made by the browser 32 of the client 3, the distribution section 22 of the web server 2 transmits the low-resolution data 23a (steps S5, S6 and S7). The browser 32 of the client 3 receives the low-resolution data 23a to reproduce the transmitted low-resolution data 23a of the JPEG, and the monitor 35 displays the image that has been reproduced.

[0044] When access of image purchase is made by the browser 32 of the client, the distribution section 22 of the web server 2 transmits the low-resolution data 23a, the high-resolution data 23b and the data selection program 23c simultaneously to the client 3 (steps S5, S6, S8 and S9). Herein, the distribution section 22 of the web server 2 prepares and distributes data in which the low-resolution data 23a, the high-resolution data 23b and the data selection program 23c are compressed, and the browser 32 of the client 3 receives the data to store in the storage unit 34. The compressed data is compressed in a LZH format, a ZIP format or the like.

[0045] Based on the user's operation, an exclusive application (not shown) provided in the client 3 extracts the transmitted data in which the low-resolution data 23a, the high-resolution data 23b and the data selection program 23c are compressed. This data extraction divides the data into the low-resolution data 23a of the JPEG format, the high-resolution data 23b of the JPEG format and the data selection program 23c without letting the user notice it, and stores the divided data into the storage unit 34.

[0046] Note that the data selection program 23c, based on the operation of the user, is setup so as to select a file to be displayed and printed when the display instruction and the printing instruction are made from the application 33. (*Terasaki*, paragraphs [0043] to [0046]). (Emphasis Added).

Based on these exemplary teachings, the user of the data does not select the watermark that is used, because *Terasaki* automatically provides the watermark upon purchase of the high-resolution data. That is, the watermark is being used as a sort of security coding, thus, selection of the watermark by the user is not relevant to the purpose of *Terasaki*. This is in direct contrast to the limitations recited in Applicants' claims.

With respect to *Ito*, *Ito* generally involves imprinting identification information (ID) in digital content. In particular, *Ito* discloses:

[0031] The present invention may be applied to a network system comprising a server 2 and client devices connected on a network 9, as shown in FIG. 1. In this drawing, client devices include PCs 4 and 8 and a Personal Digital Assistance (PDA) 6, which are information terminals.

[0032] The server 2 supplies a content to the client devices so that ID imprinting is carried out on the client side. Here, as an example, the PC 4 is provided with an imprinting function.

[0033] FIG. 2 is an operational flowchart of the PC 4 when it receives a content. The PC 4 first downloads the content from the server 2 over the network 9 (S0). A program for decoding or decrypting the content is also

downloaded from the server. This program may be included in a downloaded viewer or browser that turns the encrypted content into a usable form. A user ID information associated with the PC 4 or its user is embedded in the viewer. The ID is imprinted in the content when the viewer decodes the content (S2). After the ID is imprinted, use of the content such as for displaying or copying is enabled.

(Ito, paragraphs [0031] to [0033]). (Emphasis Added).

Based on these exemplary teachings, the user of the data does not select the ID that is used. Similar to that of *Terasaki*, the ID of *Ito* is being used as a sort of security coding, thus, selection of the watermark by the user is not relevant to the purpose of *Ito*. This is in direct contrast to the limitations recited in Applicants' claims, as is described below.

Turning now to the claims, Applicants have amended claim 1 to recite:

1. A method for a user to add a watermark image to a composition, said method comprising:

using a network browser operating on a network-connected computing device to:

access a watermark service operating on a network server, the watermark service storing watermark images;

select a first watermark image from the watermark images stored by the watermark service;

select a target composition using the watermark service, the target composition being stored on a network server such that the watermark service accesses the network server on which the target composition is stored to retrieve the target composition; and

generate a watermark composition comprising the target composition and the watermark image using the watermark service.

(Emphasis Added).

Applicants respectfully assert that *Terasaki* is legally deficient for the purpose of anticipating claim 1. In particular, Applicants respectfully assert that *Terasaki* does not teach or otherwise disclose at least the features/limitations emphasized above in claim 1.

Therefore, Applicants respectfully assert that claim 1 is in condition for allowance.

Since claims 2, 5, 6 and 14 are dependent claims that incorporate all the features/limitations of claim 1, Applicants respectfully assert that these claims also are in condition for allowance. Additionally, these claims recite other features/limitations that can serve as an independent basis for patentability.

With respect to claim 17, Applicants have amended that claim to recite:

17. A system for adding a watermark to a document, comprising:
a server including imaging-service content, the server coupled to a
network, the imaging-service content comprising watermark images; and
a computing device coupled to the network, the computing device
configured with a browser, wherein the browser is configured to receive the
imaging-service content, enable a user of the browser to select a watermark
image from the watermark images contained in the imaging-service content,
extract data reflective of the watermark image designated for integration in a
product with a target composition stored in a data storage device
communicatively coupled with the computing device, and generate a
watermark composition comprising the watermark image and the target
composition.

(Emphasis Added).

Applicants respectfully assert that *Ito* is legally deficient for the purpose of anticipating claim 17. In particular, Applicants respectfully assert that *Ito* does not teach or otherwise disclose at least the features/limitations emphasized above in claim 17. Therefore, Applicants respectfully assert that claim 17 is in condition for allowance.

Since claims 18 - 24 are dependent claims that incorporate all the features/limitations of claim 17, Applicants respectfully assert that these claims also are in condition for allowance. Additionally, these claims recite other features/limitations that can serve as an independent basis for patentability.

With respect to claim25, Applicants have amended that claim to recite:

25. A computer-readable medium comprising computer readable instructions for performing the steps of:

receiving imaging-service content comprising watermark images; enabling a user to identify a watermark image of the watermark images;

extracting data reflective of the watermark image identified by the user; enabling the user to identify at least one target composition designated for integration with the watermark image;

generating a watermark composition comprising the watermark image and the at least one target composition; and storing the watermark composition.

(Emphasis Added).

Applicants respectfully assert that *Ito* is legally deficient for the purpose of anticipating claim 25. In particular, Applicants respectfully assert that *Ito* does not teach or otherwise disclose at least the features/limitations emphasized above in claim 25. Therefore, Applicants respectfully assert that claim 25 is in condition for allowance.

Since claims 26 - 30 are dependent claims that incorporate all the features/limitations of claim 25, Applicants respectfully assert that these claims also are in condition for allowance. Additionally, these claims recite other features/limitations that can serve as an independent basis for patentability.

Newly Added Claims

Upon entry of the amendments in this response, Applicants have added new claim 31. Applicants respectfully assert that this claims is in condition for allowance for at least the reason that this claim is a dependent claims that incorporates the limitations of claim 1, the allowability of which is discussed above.

Cited Art Made of Record

The cited art made of record has been considered, but is not believed to affect the patentability of the presently pending claims.

CONCLUSION

In light of the foregoing amendments and for at least the reasons set forth above, Applicants respectfully submit that all objections and/or rejections have been traversed, rendered moot, and/or accommodated, and that the now pending claims are in condition for allowance. Favorable reconsideration and allowance of the present application and all pending claims are hereby courteously requested. If, in the opinion of the Examiner, a telephonic conference would expedite the examination of this matter, the Examiner is invited to call the undersigned attorney at (770) 933-9500.

Respectfully submitted,

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